

STATEMENT OF SENATOR JOHN MCCAIN
CHAIRMAN, SENATE COMMITTEE ON
COMMERCE, SCIENCE AND TRANSPORTATION
FULL COMMITTEE HEARING ON THE
STATE OF COMPETITION IN THE TELECOMMUNICATIONS INDUSTRY
JANUARY 14, 2003

- Welcome, Commissioners. For most of you, this is the first opportunity you have had to appear before us since your confirmation hearing. We thank you for coming.
- The telecommunications industry has been in a state of crisis for some time now. The effect has been disastrous for stockholders who have seen trillions of dollars in capitalization evaporate. This crisis also threatens the future of American technological innovation as domestic suppliers lay off employees and cut back on research and development. Meanwhile, American consumers continue to face escalating rates for services.
- As stewards of U.S. communications policy, FCC commissioners can have a tremendous impact on the telecommunications sector and the national economy. Never has this been more evident than now. Last week, an article in *The Wall Street Journal* speculating about your potential actions boosted certain stocks and deflated others. You face monumental decisions in 2003 that will shape the future of communications forever. I trust you will not make these decisions lightly.
- In particular, reports suggest that you will soon resolve a series of proceedings affecting local telephone competition and broadband services. In these proceedings, you face the difficult challenge of implementing the Telecommunications Act of 1996 – which, in my view, is a flawed piece of legislation drafted by special interests. Though the Act itself states that it was designed to “reduce regulation,” it has instead resulted in thousands of new regulations, massive litigation, and millions of dollars paid to lawyers and lobbyists. It took less than eight years to put a man on the moon, but as we approach the 7th anniversary of the Telecommunications Act, we have yet to see the fulfillment of the Act’s stated goals – and the clock is ticking.
- The same special interests responsible for drafting the Telecom Act still walk these halls. The result has been legislative paralysis. So now all eyes are on you. I ask you to look beyond these special interests, and make the decisions you believe are in the best long-term interest of the American consumer.
- I look forward to your testimony.